

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

COUNTRY PROFILE

Z A M B I A

prepared by G. Savage
IDRC

005895



IDRC-doc 033

ZAMBIA

HISTORY

The early history of Zambia is fragmentary, being based on oral tribal tradition and on accounts of early European settlers and explorers. During the early part of the 19th century the country was invaded by Arabs who established a slave trade on a route via Lake Malawi. This flourished until 1893 when it was abolished by the British. The country was also invaded by the Ngoni who established themselves as the dominant tribe in Barotseland and neighbouring districts until they were defeated by the Lozi. At about the same time, British influence had been spreading north from the Cape and in 1889 part of Northern Rhodesia became a protectorate of the United Kingdom. However, administration in Northern Rhodesia was carried out by the British South African Company which had received in 1889 a Royal Charter which empowered them to exercise complete administrative and legislative control over Southern Rhodesia and northern Bechuanaland subject to the wishes of the British High Commissioner in South Africa. These orders were then revoked in 1911 by the Northern Rhodesia Protectorate Order-in-Council by which the protectorate of Northern Rhodesia came under the control of the British High Commissioner in South Africa. By 1923 a settlement was reached on the various outstanding problems relating to the British South African Company's position in Northern Rhodesia. The Company surrendered its buildings and assets, lands and monopoly rights, other than mineral rights, but retained free hold land in northeastern Northern Rhodesia. In 1924 the country was created a protectorate with an Executive and Legislative council. Since then until 1951 the political development of Zambia was largely dominated by the colonial administration. By 1953 as a result of conferences held

in 1951, 1952 and 1953 the Federation of Northern Rhodesia, Southern Rhodesia and Nyasaland came into being, known as the Federation of Rhodesia and Nyasaland. Since the constitution was of a federal structure, Northern Rhodesia retained certain facets of internal control over certain government policy issues particularly relevant to the affairs of Northern Rhodesia. The Federation of Rhodesia and Nyasaland had as one of its basic tenets the principle of multi-racialism in Central Africa. In fact, equal opportunity of all races was a non-starter and soon there was a revolt in Malawi (Nyasaland) and Northern Rhodesia for complete self-government from the Federation. As a result of the dissolution of the Federation of Rhodesia and Nyasaland in December, 1963, the government of Northern Rhodesia re-assumed the functions which were transferred to federal responsibility by the Federation of Rhodesia and Nyasaland Constitution Order-in-Council in 1953. A new constitution giving the country internal self-government came into effect in January, 1964. The final form of Northern Rhodesia's independent constitution was settled at a conference in London in May, 1964. Northern Rhodesia, under the name of the Republic of Zambia, became independent and a member of the Commonwealth on the 24th of October, 1964.

AREA - POPULATION - CLIMATE

Zambia lies between latitudes 8° and 18° south and longitudes 22° and 34° east. Zambia is a land-locked country bounded on the west by Angola, on the southwest by South-West Africa, the Republic of Botswana and Rhodesia on the south, Mozambique and Malawi on the southeast and east, and the Republic of Tanzania on the northeast and Zaire on the north and northwest. The name of Zambia is derived from the Zambesi River.

AREA

The area of Zambia is 290,600 square miles.

CLIMATE

There are three distinct seasons: 1. a cool, dry season from May to August; 2. a hot, dry season from September to November; and 3. a wet season from December to April.

POPULATION

Population: 4.28 million mid 1971.

CONSTITUTION

Under the independence constitution the head of state of Zambia is the President, who is also Commander-in-Chief of the Armed Forces. The President is elected by the electorate at the time of any general election. The Vice-President is leader of the House in Parliament. The Vice-President, Ministers and Ministers of State are appointed by the President from amongst the members of the National Assembly. The Cabinet, subject to the powers of the President, as Head of State, is responsible for government policy and for advising the President on all matters referred to it. The legislative powers of the Republic are vested in Parliament consisting of the President and a National Assembly of 105 members elected from single member constituencies. The President has powers also to nominate up to five persons as special members to the National Assembly in the public interest. The franchise is based on universal suffrage of all persons over 18 years of age who are citizens of Zambia. The Constitution contains a Bill of Rights setting out the fundamental rights and freedom of the individual and providing protection from discrimination on grounds of race.

There is also a House of Chiefs which may consider and discuss bills and other matters referred to it by the President and may submit resolutions on any such bill or other matter to the President.

GOVERNMENT

President of the Republic of Zambia: His Excellency Dr. K.D. Kaunda

CABINET

Vice-President: Hon. M.M. Chona M.P.

Minister of Provincial and Local Government and Cultural Affairs:

Minister of Rural Development: Hon. R. Kamanga M.P.

Minister of Finance: Hon. John M. Mwanakatwe M.P.

Minister of Defence: Hon. A.C. Zulu

Minister of Foreign Affairs: Hon. E.K.H. Mudenda

Minister of Mines and Mining Development: Hon. H. Mulemba

Minister of Education: Hon. W.P. Nyirenda

Minister of Labour and Social Services: Hon. W. Chakulya

Minister of Power, Transport and Works: Hon. H.D. Banda

Minister of Information, Broadcasting and Tourism: Hon. S. Wina

Minister of Lands and Natural Resources: Hon. S. Kalulu

Minister of Trade and Industry: Hon. A.J. Soko

Minister of Home Affairs: Hon. L. Changulu

Minister of Legal Affairs and Attorney-General: Hon. F. Chuula

Secretary General to the Government: Hon. A.M. Milner

Minister of Health: Hon. Alexander Chikwanda

PARLIAMENT

THE LEGISLATURE

The Parliament of Zambia has 105 elected members. The President is empowered in the constitution to nominate five additional persons as special members of the national assembly. In the present Parliament, the United National Independence Party holds 81 seats, the African National Congress (the main opposition party) 23 seats, one independent member and five nominated members.

THE HOUSE OF CHIEFS

The House of Chiefs consists of 26 provincial chiefs who act as a second Chambre but with very little legislative power indeed.

POLITICAL PARTIES

There are two major political parties - the United Independence Party which was founded in 1959 and led by Dr. Kenneth Kaunda. The African National Congress which was founded in 1944 and is lead by Mr. H. Nkumbula. The Zambian National Democratic Union which is a breakaway from the United Independence Party was founded in 1969 but was banned in 1970.

POLITICAL DEVELOPMENTS

On December 13, 1972, Zambia legally became a one-party state and the United National Independence Party the only permitted political

organization. However, the government's White Paper published in November, 1972 set out recommendations which had been made by the National Commission so that in February of last year to find what Dr. Kaunda has termed at the time the best possible solution to Zambia's decision to become 'a one-party participatory democracy.' These new recommendations are still to be incorporated in a new Constitution. The many features of the accepted proposals are that the President, whose term of office is indeterminate, is to appoint the Prime Minister to administer the government and a Secretary General to lead the party. The government and party are separated. No Cabinet minister other than the President and the Prime Minister are members of U.N.I.P.'s central committee and only the Party's Secretary General is a member of the Cabinet. The President heads both government and Party. The President nominates three members of the Party's central committee, and ten of the thirty-six member Parliament. Primary elections at district level are introduced with the Central Committee having the final say in selecting up to four candidates for election. The Party takes precedence over government, so in theory at least, Cabinet Ministers take second place to Central Committee members and it is the Party's Secretary General who takes over when the President is out of the country.

Certainly the changes whenever they come will give the President the chance so long thought to rid himself and government of the dead wood which he had carried since independence partly out of loyalty to old friends and partly out of the need to constantly balance the political weights.

RELIGION

About 70% of the population are Christians, and the rest follow traditional African beliefs.

ARMED FORCES

Army - The Army consists of three infantry battalions, one armoured car platoon, one battery of housitzers and supporting units. Personnel: 3,000.

Air Force - The Air Force consists of four twin-engined Caribou and six single-engined Beaver transport planes built in Canada, six C-47 transport and two Chipmunk Trainer planes, six Aermacchi M.B.326G jet trainers, eight Siai-Marchetti SF260M piston-engined trainers and five Agusta-Bell 205 helicopters, four Soko Jastreb jet light attack aircraft and two Galeb jet trainers.

TRADE UNIONS

There are two principal trade unions: Zambia Civil Servants Association and the Zambia Congress of Trade Unions, in which there are eleven affiliated trade unions.

There are also two independent unions: Zambian African Teachers Association and the Zambian African Mining Union.

JUDICIARY

The Judiciary holds a unique position in the Constitution of Zambia, and its independence is guaranteed. The law in Zambia is administered by the High Court, consisting of a Chief Justice and Five Puisne judges. The Supreme Court hears appeals from the Court of Appeal and magistrates courts. 2. The Court of Appeal has jurisdiction to hear appeals from magistrate courts and from native authority courts. 3. Magistrate courts. These are established at various centres

throughout the country, presided over by resident magistrates and hears appeals from native authority courts. 4. Native authority courts. These are traditional Zambian courts and hear appeals pertaining to native customary law.

LOCAL GOVERNMENT

For Local Government purposes Zambia is divided into eight provinces. The provinces are administered by Cabinet Ministers for the provinces who are responsible for the administrative policies of their respective provinces. The Ministers are assisted by a Minister of State and Civil Servants. Each province is divided into Districts headed by a District Governor who is responsible to the Provincial Ministers.

<u>Province</u>	<u>Headquarters</u>
Copperbelt	Ndola
Luapula	Mansa
Northern	Kasawa
Central	Kabine
Eastern	Chipata
Southern	Livingstone
North-Western	Solwezi
Barotse	Mongu

MAIN TOWNS

Lusaka (Capital)	262,182
Kitwe	199,798
Ndola	159,876
Mufulira	107,802
Chingola	103,292
Luanshga	96,282
Kabwe	67,886
Livingstone	43,292
Chililabombwe	44,862

EDUCATION

There were in 1970 2,564 primary schools with 694,670 pupils and 13,826 teachers, 113 secondary schools with 52,472 pupils and 2,465 teachers, 6 technical and trade schools with 788 students, and 9 teacher training colleges with 2,146 students.

The University of Zambia

Number of Students 1970-71 - 1,184

Number of Professors and Lecturers - 200

Faculties and Deans

Education: Prof. C.A. Rogers

Engineering: Prof. E.C. Lawson

Humanities and Social Sciences: Prof. A. Herbert

Law: Prof. R.B. Kent

Medicine: Prof. S.G. Aohrabian

Natural Sciences: Prof. A.H. Ward

Other Colleges

Evelyn Home College for Further Education, P.O. Box 29, Lusaka,

Principal: S.J. Kazunga

Natural Resources Development College, P.O. Box CH99, Lusaka,

Principal: A. Hamaamba

Northson Technical College, P.O. Box 1563, Ndola, Principal: T.E. Ashton

Zambia College of Agriculture, P.O. Box Manze

Research Institutes

Agricultural Research Council of Zambia, P.O. Box 2218, Lusaka,

Director: C.J. Rose

Central Fisheries Research Institute, P.O. Box 100, Chilanga;hydro-

biological research directed towards increasing fish production,

Director: L.S. Joeris

Central Veterinary Research Station, P.O. Box 50, Mazabuka General Veterinary

Research, Director: Dr. I. Macadam

Division of Forest Products Research: P.O. Box 388, Kitwe,

Director: A.A. Wood

Division of Forest Research: Forest Department, P.O. Box 2099, Kitwe;

research on indigenous forests and woodlands and plantations,

tree breeding, etc., Director: D.E. Greenwood

Fisheries Research Division (Department of Game and Fisheries), P.O. Box 1,

Chilanga

Geological Survey of Zambia, P.O. Box RW K35, Lusaka Research Centre,

Director: A.R. Drysdall

Institute of African Studies, University of Zambia (formerly Rhodes-

Livingstone Institute), Director: P.O. Nsugbe

International Red Locust Control Service: P.O. Box 37, Mbala, research and preventive measures on red locust, Director: C. Du Pressis
Mount Makulu Central Agricultural Research Station, P.O. Box 7, Chilanga; research on soils, soil classification, vegetation types and classification, pasture research, agronomy, plant breeding, seeds services, research on crops and legumes, etc., Director: J.B.M. Vogt

FINANCE

Banks

The Bank of Zambia is the Central Reserve Bank of the country, responsible for the issuing of bank notes and coins and for all international financial transactions.

Decimal currency was introduced in January 1968. The Kwacha, represented by the symbol K, is divided in 100 Ngwee. Notes of K20, K10, K2, K1 and 50 Ngwee, coins of 25 Ngwee, 10 Ngwee, 5 Ngwee and 1 Ngwee.

In November 1970, foreign banks, the Commercial Bank of Zambia and all insurance companies were nationalized and came under the control of FINDECO.

Other Banks

Commercial Bank of Zambia

Merchant Bank (Zambia) Ltd.

Barclay's Bank D.C.O.

National and Grindlays Bank Ltd.

The Standard Bank

(See Tables VIII and IX)

INFORMATION

Radio - Zambia Broadcasting Services: broadcast programmes in English and seven Zambian languages.

Television - Television Zambia has studios in Lusaka and Kitwe. Its programmes are mainly educational.

Press

Daily - The Times of Zambia

Zambia Mail

Weeklies and Monthlies

Farming in Zambia

Intanda

Icengelo

Liseli la Zambia

The Livingstone Mail

Lukanga Mail

Medical Journal of Zambia

The Miner

Mufulira Mirror

Ngoma News

Roan Antelope

Tsopano

Zambia Advertiser

Zambia Farmer

Zambia Industrial Directory

Zambia Museums Journal

Zambia Motor News

Zambia News

The Zambian Review

SECOND FIVE YEAR DEVELOPMENT PLAN

Zambia's Development Plan envisages an annual growth rate in Gross Domestic Product of 6.8%. This will enable per capita GDP in constant 1969 prices to increase from an estimated K246 in 1971 to K300 by 1976. The total GDP is expected to increase in terms of 1969 prices from K1080.7 million in 1971 to K1505.0 million by 1976. The highest growth rate projected is in the manufacturing sector, 15%. Growth in the agricultural sector is estimated at about 6% per annum, whilst the mining sector, still the dominant sector of the economy, will grow at a rate of 6.1%. The plan provides for a total outlay over the five year period of K2,161 million, made up of K685 from the private sector and K1,476 from the public sector. Of the public sector provision K205 million is set aside for current account expenditure on "developmental institutions and activities." The private sector includes the state corporations in which government holds 51% of the Share Capital. Government expenditure over the period of the plan is estimated at K2,851 million which includes committed recurrent Government expenditure of capital of K1,376 million at estimated annual rate of K275 million. Of this, K242 million is to be financed by State corporations, K2,456 million from budgetary resources, domestic and foreign borrowings, leaving a balance of K153 million to be covered through "appropriate budgetary and non-budgetary sources." Income estimates include K670 million: mineral revenue based on the assumption that copper prices will be at a level of K800 per metric ton. Foreign borrowing is estimated at K348 million. The population of Zambia is expected to grow at a rate of 2.9% per annum. The rate of population increase and urbanization will bring into the labour force "67,000 persons every year of whom about

37,000 will be from the urban areas. It is envisaged that during the plan about 20,000 new jobs a year will be created."

RURAL DEVELOPMENT

One of the main objectives of the current plan is to stimulate development in the rural areas. In addition to policies of improving government institutions and services, specific attention is being devoted to well-defined areas of development potential called "intensive development zones." The Intensive Development Zones concept is a major new policy to concentrate the public services and investment to integrated development of rural areas. In the mining sector the volume of copper production will increase by 39.5% from 645,300 metric tons in 1971 to about 900,000 metric tons by 1976. Considerable expansion in the output of other minerals is also projected. Gross output of manufacturing industries in terms of value will increase from K235 million in 1969 to about K509 million by 1976. Also taking into account the tax, value added in manufacturing will increase from K90 million in 1969 to about K199 million by 1976. Electricity is also being expanded; the current installed capacity of about 620 MW will increase to 1,634 MW by 1976. Over the five year period a total of K63 million will be spent on roads. The plan envisages a capital expenditure of K133 million on the construction of the Tanzam Railway. Provision is also made in the plan for the expansion of tourism, education, health and housing projects.

EXPENDITURE ON 1ST PLAN

In the 1st national development plan which ended in 1971, a total

outlay of K1,242 million was estimated. However, the aggregate outlay exceeded plan estimates by 37% amounting to K1,702 million of which K678 million was capital expenditure and K1,024 million recurrent expenditure. The review on the 1st national development plan states that "a disquieting aspect of the growth in recurrent expenditure was the sharp increase in the outlay on subsidies, particularly during the first part of the plan." Expenditures and subsidies rose from K4 million in 1965 to K16 million in 1966 and to K35 million by 1968, although it declined subsequently to between K18 million and K23 million annually. During the first four years of the 1st national development plan, the government completed agreements for foreign loans of K125 million. The manufacturing sector in the first national development plan also fulfilled or exceeded most of the plan's targets by 1969. The Share of manufacturing industry in the total GDP was planned to reach 7.6% by 1970 but in fact it had already reached 9.6% by 1969.

BUDGET

In 1972, faced with economic difficulties caused by a slump in the world price of copper, the Zambian government imposed a 5% surcharge on all dutiable goods and cut government spending by nearly 30%. The low copper price and reduced Zambian output of copper in 1971 lead to a fall in estimated revenue of K44.1 million. The decline in production in the mining industry inevitably affected other sectors of the Zambian economy as well, "the cost of having an economy dependent on one export commodity." The value of copper exports in 1969 was valued at K724 million and 730,000 metric tons were exported. In 1970, 684,000 metric tons were exported,

valued at K621 million. During the first six months of 1972 the export of copper dropped by 47,000 metric tons from the figure of 1969 and the value also went down by K91 million, indicating the effects of the lower copper price in 1971. The price of copper, which reached a peak of K1,047 per metric ton in 1969, started to fall in 1970 and by the end of 1971 it had dropped to around K700 per metric ton. Since Zambia's foreign exchange earnings are totally dependent on her copper exports, the trade surplus for 1971 was very low indeed. For the half-year ending 30th June, 1971, total exports amounted to K247 million compared to K344 million in the corresponding period in 1969. Imports were K185 million in 1970 against K149 million in the first half of 1969. The big increase in imports in 1971 was partly due to imports of defence items and to unscheduled payments for maize imported after the crop failures of 1969-70 and 1970-71. The budget statement disclosed that there had been a dramatic increase in the gross value of Zambia's marketed agricultural produce in 1971. Maize production, which was 1.4 million bags in 1970-71 because of poor rainfall, reached 4.4 million bags for 1971-72. Cotton production was also up 9.3 million kilograms for 1971-72 compared to 5.4 million kilograms in 1970-71. Apart from groundnuts, all the main cash crop recorded large increases. (See Tables I and II)

EXPENDITURE DETAILS

A total of K429.5 million estimated in the 1972 budget for the recurrent and capital expenditure, K296.8 million is recurrent and K132.7 million is capital expenditure. The 1972 figures are below those for 1971. This was pointed out that with regard to the capital expenditure figure of K132.7 million (the government being the chief spender), any sudden

large reduction in capital expenditure would result in large-scale unemployment. For this reason, the government has not reduced capital expenditure substantially below the 1971 figure. The largest single item of capital expenditure is under the Ministry of Power, Transport and Works, which has been allocated K31.4 million. For this vote, K6.) million will be spent on the Kafue Hydro-Electric Project, K2.1 million on building a railway spur to the coal fields at Maamba, while a large sum (undisclosed) will be spent on roads. The government announced a number of increases in import and excise duties particularly on motor vehicles and liquor. In addition, an import surcharge of 5% is imposed as a temporary measure. The government expects this surcharge to bring in about K4 million and to have a significant effect on the outflow of foreign exchange.

BALANCE OF PAYMENTS

Zambia's balance of payments showed a deficit of K204 million in 1971 against a K126 million surplus in 1970. The Bank of Zambia in annual recent report states that the "deterioration arose both from current and capital movements." The trade surplus for 1969 which was K525 million fell to K312 million in 1970 and to K55 million in 1971 mainly due to the decrease in exports and an increase in imports. The reduction in copper exports due to the mining disaster in late 1971 caused a reduction of export earnings of K104.8 million in 1970 and of an additional K73 million in 1971 while the decrease due to the fall in prices amounted to K65.3 million in 1970 and K127.3 million in 1971. Although the 1970 deterioration in the trade balance was mainly due to the decline in exports and an increase in imports, the 1971 results are mainly attributed

to the adverse terms of trade. In 1971, for the first time since 1964, payments for services and transfers registered a substantial decline. The government's foreign exchange fell by K75 million from K92 million at the end of 1970 to K70 million at the end of 1971. Total credit to the government in the form of treasury bills, loans and advances decreased by K16 million whilst government deposits with commercial banks increased by K2 million so that the government net position with the banks improved during the year by K82 million. Total commercial bank deposits rose by 7% in 1971 as against 14% in 1970 and 22% in 1969. Agriculture's contribution to the gross domestic product in the first half of 1971 showed a significant increase since 1964.

Following the unsatisfactory 1970 results the estimated value of marketed output at K48.4 million in 1971 was 52% above the previous year and the highest period recorded. This satisfactory result is attributed to the higher producer prices, favourable weather and improvements in government marketing services. Output of all major commodities increased with maize production trebling (to reach every level to meet local demands). (See Table IV)

ECONOMY

Since 1964, the Zambian economy has been one of the richest and fastest growing of Africa. Gross domestic product in real terms increased by an estimated 15% per annum between 1964 and 1969. Output expanded by 5½ to 6 per cent per annum and an improvement in the terms of trade due to higher copper prices of 7 to 8 per cent per annum. Estimated GDP per capita in 1969 was just over K280 or about 400 U.S. dollars.

Copper mining is Zambia's most important economic activity providing more than 40% of GDP, 90% of exports and 60% of government revenue. Owing to this predominance of the copper industry and an uneven distribution of fertile soil, the Zambian economy has an extremely dual structure, characterized by large disparities of income and living standards between mining and other workers, expatriates and Zambians and between persons on the "line of rail" and those scattered in other parts of the country. Agriculture accounts for about 6% of GDP although recent unofficial estimates of subsistence agriculture double agriculture's share to about 12%. The share of manufacturing industries has greatly increased and by 1972 was about 10% of GDP. Zambia is the most highly urbanized country of southern Africa. Twenty-eight per cent of its population live in towns of twenty thousand or more mainly between the capital Lusaka and the copper belt towns of Ndola and Kitwe. In fact about two-fifths of the population is grouped along the line of rail stretching from Livingston through Lusaka to the copper belt. Off the line of rail, the country is very sparsely populated even in comparison with the low average density of the total population of only 14 per square mile. Zambia's population is estimated to be increasing by 2.9% per annum, though the number of non-Africans has fallen from 87,000 in 1963 to about 58,000 in 1971. Total urban population grew at 8% per annum between 1963 and 1971. About 10% of the total population have wage-earning jobs, again one of the highest proportions in Africa. Estimated employment in June, 1970, was 417,000 of whom 37,000 were Zambians. Because of the backwardness of secondary and higher education before independence, the major proportion of the higher level skilled and professional jobs are still filled by expatriates in spite of strong government pressures to

Zambianize as quickly as possible. Construction, services, mining and agriculture are in order the sectors providing most wage earning employment. (See Tables V and VI)

AGRICULTURE

Zambian agriculture is, in effect, split into three sectors: production by a few hundred large commercial farmers, mainly expatriates, who still produce about half total marketed agricultural output; emerging Zambian farmers and a mass of traditional farmers scattered throughout the country producing at low levels of productivity and selling little to the market. Statistics on the latter two groups are extremely inadequate but information suggests that output has grown only slowly since independence. Main crops are maize, groundnuts, sorghum, millet and beans. In recent years the government has allocated substantial financial resources to the rural sector, in the form of direct grants on agricultural expansion and production units, loans and other support for cooperatives, and extensive agricultural subsidies of various sorts. In spite of these efforts the impact so far has been almost negligible largely due to the lack of skilled manpower in the agricultural sector, inadequate marketing and transport facilities and ironically the fact that rapid developments in the urban sector has caused a high proportion of the younger and better educated to migrate to the towns. Production of cotton, poultry and sugar has increased and there are hopes of increased tobacco and livestock production by 1975.

(See Table VII)

INDUSTRY

Since 1964 industrial output has grown by an average of about

20% per year under the stimulus of a rapidly expanding local market and the opportunities for import substitution forfeited during the years of federation. In 1968 the government announced that the state would take a 51% equity interest in 26 key industries, an arrangement implemented through INDECO, the government-owned Industrial Development Corporation. The assets of INDECO companies now total almost K150 million. Large industrial projects in preparation include an oil refinery, an iron and steel mill and a car assembly plant.

The Chilanga Cement Company has extended its Ndola works and output is now 600 metric tons a day.

TRANSPORT

Since the Unilateral Declaration of Independence by Rhodesia in 1965, Zambia has allocated enormous resources to orienting her trade away from traditional routes to the south. At independence, before UDI, virtually all of Zambia's foreign trade was carried on routes to the south. By 1969 this had been reduced to less than two-thirds of imports and less than three-fifths of exports.

HYDRO-ELECTRIC POWER

In 1969 consumption of electric power in Zambia was about 3600 million KWH, about 9% of which was used by the copper industry. Less than 1/10 of Zambia's power requirements are at present generated in Zambia itself, the bulk coming from the generating installations on the Rhodesian side of the Kariba Dam. The political difficulties of this arrangement has lead Zambia to undertake several major power developments

since independence: two hydro-electric stations at Victoria Falls, capacity 100MW and the construction of a new hydro-electric station at Kafue with an installation of 600MW. In addition, Zambia has decided to proceed as soon as possible with the construction of a power station on the Zambian side of the Kariba Dam to add another 600MW installed capacity by 1974.

A dam costing over K31 million is now in operation at the Kafue hydro-electric scheme and will further reduce Zambia's dependence on power supplies from Rhodesia. The two new sets of turbine generators which will increase the generating capacity to 900 megawatts.

LOANS

A consortium of international banks gave Zambia a loan of 30 million Euro dollars equivalent to K21.3 million to help finance the expansion of the copper mining industry.

The IMF gave a loan of K15 million standby loan and agreed to the issue of currency credits to Zambia equivalent to 25 million dollars in special drawing rights.

West Germany gave a loan of 15.7 million marks in development aid during 1972.

Japan provided a loan of K21 million to help implement the Second National Development Plan.

SHIPPING

The Zambezi Shipping Line Ltd. has ordered four modern ships worth K4 million. The ships, the first of which were delivered in January

this year, are the first African owned and managed ships to fly the flag of an African state in East Africa. The Zambezi Shipping Line operates between Africa, Europe, Pakistan and the Far East. The Company was incorporated in Zambia in 1971.

TABLE I

GOVERNMENT FINANCE

	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Deficit (-) or Surplus	30.2	-11.2	-96.1	35.4	23.4	-194.2	-154.2
Revenue	212.2	413.4	305.0	403.1	457.2	312.5	267.5
Expenditure	174.6	388.4	328.2	334.1	360.3	482.5	383.4
Net Lending	7.4	36.2	72.9	33.6	73.5	24.3	38.3
Financing							
Net Borrowing: Domestic			68.4 }	11.1	3.1	8.1	117.5
Foreign	4.7	12.5		20.1	13.4	35.9	-4.9
Use of Cash Balances	-34.9	-1.3	27.7	-66.6	-39.8	150.2	41.6

SOURCE: International Financial Statistics, Vol. XXVI, No. 5, May 1973, IMF, page 408

TABLE II

INTERNATIONAL LIQUIDITY

	Millions of US Dollars:					
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u> <u>1972</u>
Monetary Authorities Reserves	210.6	180.4	199.3	368.7	513.8	282.1 161.8
Gold	5.8	5.8	5.8	5.8	5.8	6.4
SDRs	-	-	-	-	8.9	20.6 .2
Reserve Position in the Fund	3.2	6.2	6.4	8.9	19.0	20.6 -
Foreign Exchange	201.6	168.3	187.1	354.0	480.1	234.5 155.2
Bank of Zambia	83.6	84.3	122.0	224.0	370.0	228.3 154.3
Government	118.0	84.0	65.1	130.0	110.1	6.2 .9
Fund Position						
Credit Tranche Position	50.0	50.0	50.0	50.0	76.0	82.5 82.5
Drawings Outstanding	-	-	-	-	-	20.6 61.9
of which: Compensatory Drawing	-	-	-	-	-	20.6 41.3
Use of Fund Credit	-	-	-	-	-	20.6 41.3

SOURCE: International Financial Statistics, Vol. XXVI, No. 5, May 1973, IMF, page 406

TABLE III
NATIONAL ACCOUNTS

	Millions of Kwacha:			
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u> <u>1970</u>
Exports	452.6	472.2	540.8	850.7 680.2
General Government Consumption	86.2	114.6	126.6	131.0 154.0
Gross Fixed Capital Formation	175.8	225.3	264.7	253.6
Increase in Stocks	50.4	48.9	56.0	-39.4
Private Consumption	349.6	443.4	467.8	458.1
Less: Imports	-332.3	-413.3	-466.7	-413.9 -462.2
Less: Net Factor Payments Abroad	-58.0	-50.6	-52.1	-47.3 -27.5
Gross National Expenditure=GNP	724.3	840.5	937.3	1,192.8 1,118.5
Gross Domestic Product	782.3	891.1	989.4	1,240.1 1,146.0
National Income	545.9	650.9	683.8	855.1 860.4

SOURCE: International Financial Statistics, Vol. XXVI, No. 5, May 1973, IMF, page 408

TABLE IV

BALANCE OF PAYMENTS

	Millions of US Dollars:				
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Goods and Services	84	14	31	547	242
Trade Balance fob	255	186	228	739	413
Freight & Merchandise Insurance	-41	-58	-71	-67	-67
Investment Income	-87	-71	-73	-66	-38
Other	-43	043	-53	-59	-66
Transfers: Private	-13	-13	-34	-73	-147
Central Government	...	13	...	2	1
Capital n.i.e.: Private	17	20	27	-229	120
Central Government	-55	17	28	11	15
Deposit Money Banks: Assets	-10	-51	1	3	-18
Liabilities	...	14	7	-8	6
Allocation of SDRs	...	...	...	...	8
Monetary Authorities	-7	19	-18	-169	-145
Monetary Gold	-2	...	...	...	...
SDR Holdings	...	...	...	...	-9
IMF General Account	...	-3	...	-2	-10
Other Assets	-5	22	-17	-167	-126
Other Liabilities	...	...	-1	...	...
Net Errors and Omissions	-16	-33	-42	-84	-82

SOURCE: International Financial Statistics, Vol. XXVI, No. 5, May 1973, IMF, page 408

TABLE V

INTERNATIONAL TRANSACTIONS

	Millions of Kwacha:				
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> <u>1971</u>
Exports	493.5	470.0	544.4	766.5	715.0 484.9
Copper	460.0	436.2	514.9	722.2	681.1 450.3
Imports, fob	246.1	306.4	325.2	311.8	340.9 395.2
Volume of Exports					
Copper	102	105	110	125	117 109
Export Prices (A)	187	168	196	212	264
Export Prices (B) (1966=100)	100.0	92.6	97.8	113.2	111.4 91.7
Copper	189	175	197	243	244 174

SOURCE: International Financial Statistics, Vol. XXVI, No. 5, May 1973, IMF, page 406

TABLE VI

COPPER EXPORTS January - December

	'000 Kwacha	
	<u>1969</u>	<u>1970</u>
Copper (blister)	104,801	101,186
Copper (electrolytic wire bars)	581,413	542,056
Copper (electrolytic cathode form)	32,578	33,765
Copper (electrolytic bar and ingot)	565	814
	<hr/>	<hr/>
TOTAL	719,357	677,821

SOURCE: Condensed from Quarterly Economic Review No. 1 - 1973 The Economist Intelligence Unit

TABLE VII
FOREIGN TRADE January - July

	Millions of Kwacha:	
	<u>1971</u>	<u>1972</u>
Exports fob		
Tobacco	2.21	0.54
Timber	0.30	0.10
Cobalt	3.19	4.86
Copper	270.50	280.30
Lead	2.82	2.82
Zinc	6.10	7.95
Total (including other items)	288.20	305.45
Total Re/export	2.87	3.75
Imports		
Food	21.41	25.27
Drink and Tobacco	0.77	0.73
Crude Materials	4.06	5.36
Mineral fuels and lubricants	20.49	22.38
Chemicals	17.68	18.40
Manufactures	45.08	54.35
Machinery and Transport Equipment	90.25	101.62
Total (including other items)	216.81	254.42

SOURCE: Quarterly Economic Review No. 1 - 1973 E.I.U., London

TABLE VIII

CENTRAL BANK

	Millions of Kwacha:						
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Foreign Assets	150.41	128.84	142.42	263.45	367.01	201.44	117.65
Claims on Government	8.58	12.77	10.58	5.95	8.62	32.44	57.40
Claims on Private Sector	.42	3.76	.44	2.00	2.00	1.99	-
Reserve Money	41.98	51.54	63.08	72.63	71.03	89.23	105.77
of which: Currency Outside Banks	28.36	35.11	40.30	40.53	42.84	58.28	.....
Quasi-Monetary Deposits	-	-	-	20.01	66.09	-	-
Foreign Liabilities	-	.07	.11	.16	.16	14.96	29.56
Government Deposits	111.76	85.87	82.26	170.31	211.80	37.32	-21.56
Other Items (Net)	5.68	7.88	8.00	8.30	28.53	94.36	61.29

SOURCE: International Financial Statistics, Vol. XXVI, No. 5, May 1973, IMF, page 406

TABLE IX
COMMERCIAL BANKS

	Millions of Kwacha:				
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Reserves	13.54	16.43	22.35	31.43	27.67
Foreign Assets	16.80	15.19	4.85	10.22	17.68
Claims on Government	22.98	14.80	42.99	53.93	49.73
Claims on Private Sector	66.56	92.59	91.00	112.25	140.92
Demand Deposits	85.08	99.25	132.41	140.78	159.40
Time and Savings Deposits	40.06	47.52	58.01	80.22	103.53
Foreign Liabilities	7.02	7.45	4.24	5.66	1.33
Government Deposits	.....	.....	.....	10.08	1.62
Other Items (Net)	-12.28	-15.20	-33.48	-28.90	-29.87
					-21.17

SOURCE: International Financial Statistics, Vol. XXVI, No. 5, May 1973, IMF, page 406

IMPORTS TO CANADA FROM ZAMBIA (\$ millions)

	1969	1970
1968		
.003	.09	.01

EXPORTS FROM CANADA TO ZAMBIA (\$ millions)

	1969	1970
1968		
1.9	1.5	4.9

SOURCE: CIDA Annual Review 1970-1971

IDRC Research Projects: There are no IDRC projects in Zambia at present.

BIBLIOGRAPHY

- A Yearbook of the Commonwealth; H.M.S.O. London 1972
- 1972-73 Budget; Ministry of Finance, Lusaka
- Zambian Second National Development Plan 1972-76
- Zambia Economic Report 1971
- International Financial Statistics, Vol. XXVI, No. 5, May 1973, IMF, Washington
- The Standard Book Review (various)
- Africa A Handbook; (ed.) Colin Legum, Praeger, New York 1971
- Sanger, C.; Central African Emergency; Heineman, London 1959
- Morris, C. and Kaunda, K.; Black Government? Lutterworth, London 1960
- Franklin, H.; Unholy Wedlock: The Failure of the Central African Federation; London 1963
- Stokes, E.T. and Brown, R. (eds.); The Zambesian Past; London 1966
- Robinson, R.E. and Gallager, J.A.; Africa and the Victorians; London 1961
- Lonsdale, J.; The Emergence of African Nationalism - African Affairs; Vol. 67, No. 266, January 1968
- Africa Review 1971; Africa Publications London
- CIDA Annual Review 1970-71; Information Canada, Ottawa 1971
- World Bank/IDA Annual Report 1972
- Africa; Vol. XV, No. 8, American Universities Field Staff
- Commonwealth Universities Yearbook, London 1971